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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

SABRINA JEFFRIES, Derivatively on Behalf of  
Nominal Defendant AFFIRM HOLDINGS, INC.,  
Plaintiff,

V.

MAX LEVCHIN, MICHAEL LINFORD,  
JEREMY LIEW, LIBOR MICHALEK, JENNY J.  
MING, JEREMY PHILIPS, CHRISTA S.  
QUARLES, KEITH RABOIS, JACQUELINE D.  
RESES, and JAMES D. WHITE,  
Defendants,

and,

AFFIRM HOLDINGS, INC.,

## Nominal Defendant.

Case No: 3:23-cv-02552-AMO

**JOINT STIPULATION AND [PROPOSED]  
ORDER TO STAY DERIVATIVE ACTION**

1 Plaintiff Sabrina Jeffries (“Plaintiff”), derivatively on behalf of Affirm Holdings, Inc. (“Affirm”)  
 2 or the “Company”), and Defendants Max Levchin, Michael Linford, Jeremy Liew, Libor Michalek,  
 3 Jenny J. Ming, Jeremy Philips, Christa S. Quarles, Keith Rabois, Jacqueline D. Reses, and James D.  
 4 White, (the “Individual Defendants”) and with Affirm Holdings, Inc., Nominal Defendant, (collectively  
 5 “Defendants”) (collectively, the “Parties”) jointly submit this stipulation to temporarily stay the above-  
 6 captioned action (the “Stipulation”), and in support thereof state as follows:

7 WHEREAS, Plaintiff filed an action captioned *Jeffries v. Levchin, et al.*, Civil Action No. 4:23-  
 8 cv-02552 (N.D. Cal.), purportedly in the right, and for the benefit of, Affirm against all Individual  
 9 Defendants seeking to remedy Individual Defendants’ alleged breaches of fiduciary duties, unjust  
 10 enrichment, waste of corporate assets, aiding and abetting, and alleged violations of Section 10(b) and  
 11 21D of the Securities Exchange Act of 1934 (the “Exchange Act”), that allegedly caused substantial  
 12 harm to Affirm (the “Derivative Litigation”);

13 WHEREAS, pending in the United States District Court for the Northern District of California  
 14 is a putative securities class action captioned *In re Affirm Holdings, Inc. Securities Litigation*, Case 3:22-  
 15 cv-07770 (the “Securities Litigation”), and a derivative action captioned *Quiroga v. Levchin et al.*, 3:23-  
 16 cv-01492-AMO (the “Quiroga Action”);

17 WHEREAS, there is an apparent overlap between the facts and circumstances alleged in the  
 18 Derivative Litigation, the *Quiroga* Action, and the Securities Litigation, including the potential  
 19 relevance of many of the same documents and witnesses;

20 WHEREAS, Affirm, Levchin, and Linford, named defendants in the Derivative Litigation, are  
 21 also named as defendants in the *Quiroga* Action and the Securities Litigation (the “Securities Litigation  
 22 Defendants”);

23 WHEREAS, the Securities Litigation Defendants have filed a motion to dismiss for failure to  
 24 state a claim in the Securities Litigation, a hearing on which is set for November 16, 2023;

25 WHEREAS, the *Quiroga* Action is currently stayed pending resolution of the Securities  
 26 Litigation, *see Quiroga*, Dkt. 10;

27 WHEREAS, in order to ensure economy of time and effort for the Court, for counsel, and for  
 28 litigants, Plaintiff and Defendants have agreed that, in light of the apparent overlap between the facts

1 alleged in the Derivative Litigation, the *Quiroga* Action, and the Securities Litigation, and that the  
2 outcome of the anticipated motion to dismiss in the Securities Litigation may inform the proceedings in  
3 the Derivative Litigation, that the Derivative Litigation should be temporarily stayed on the terms set  
4 forth below unless and until either (1) the Securities Litigation is dismissed, with prejudice, and all  
5 appeals related thereto have been exhausted; (2) the motion to dismiss the Securities Litigation is denied;  
6 or (3) either of the Parties to this Stipulation gives a ten (10) day notice that they no longer consent to  
7 the voluntary stay of the Derivative Litigation.

8 WHEREFORE, the Parties, through their undersigned counsel, hereby agree, stipulate, and  
9 respectfully request that the Court enter an order as follows:

10 1. All Defendants hereby accept service of the complaint filed in the Derivative Action.

11 2. The Derivative Litigation shall be stayed upon the Court's endorsement of this  
12 Stipulation as an Order of the Court.

13 3. Defendants shall promptly notify Plaintiff upon becoming aware of any derivative  
14 actions or threatened derivative actions, including, but not limited to, Section 220 demands or litigation  
15 demands that appear in Defendants' good faith judgment to be related to the Derivative Litigation.

16 4. The Parties agree that if the plaintiff in any related derivative action refuses to agree to a  
17 stay under similar terms, Plaintiff may lift the agreed stay upon ten (10) days' notice in writing to the  
18 undersigned Counsel for Defendants via email.

19 5. The Parties agree that during the pendency of this stay, Defendants shall inform Plaintiff  
20 promptly upon the scheduling of any mediation or settlement negotiation with the plaintiffs in the  
21 Securities Litigation. In the event that Defendants are unable for any reason to include Plaintiff in the  
22 mediation with plaintiffs in the Securities Litigation, then Defendants agree to mediate with Plaintiff in  
23 the Derivative Litigation at or about the same time. The Parties further agree that Defendants shall  
24 inform Plaintiff promptly upon the scheduling of any mediation or settlement negotiation with any other  
25 derivative plaintiffs who have asserted claims substantially similar to the claims asserted by Plaintiff  
26 herein, and shall include Plaintiff in any such mediation or settlement negotiation.

27 6. The Parties agree that notwithstanding this stay of this Derivative Litigation, Plaintiff  
28 may file an amended complaint; however, Defendants need not answer or otherwise respond to the

1 Complaint or to any other complaint or amended complaint that is filed in or consolidated with the  
2 above-captioned action during the pendency of this stay.

3       7. In the event that, during the pendency of the stay, Defendants agree to produce, or any  
4 of them are ordered to produce by a court of competent jurisdiction, any documents in the Securities  
5 Litigation or in any related derivative litigation, then copies of such documents shall be provided to  
6 Counsel for Plaintiff within ten (10) days of such production, subject to the execution by Plaintiff of a  
7 reasonable confidentiality agreement governing the use and disclosure of these materials.

8        8. Upon occurrence of any of (1) exhaustion of all appeals related to the Securities  
9 Litigation; or (2) either of the Parties to this Stipulation has given a ten (10) day notice that they no  
10 longer consent to the voluntary stay of the Derivative Litigation, then within seven (7) days of the  
11 occurrence of any such event or the expiration of the 10-day notice period, counsel for the parties shall  
12 meet and confer and jointly submit a proposed schedule for the filing of an amended complaint, if any,  
13 and Defendants' response thereto, and all associated briefing. Defendants are not otherwise required to  
14 move, answer, or otherwise respond to any complaint.

15        9. In the event that Defendants agree to terms or conditions in connection with any  
16 stipulation, agreement, or motion to stay a related derivative action that are more favorable to the  
17 plaintiff(s) therein, those more favorable terms or conditions shall be deemed incorporated into this  
18 stipulation.

19       10. The parties to this Derivative Action are not waiving any rights, claims, or defenses of  
20 any kind, and no part of this stipulation shall be construed as a waiver of any rights, claims, or defenses.

22 | Dated: August 8, 2023

By: /s/ Marion C. Passmore  
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1                   **[PROPOSED] ORDER**

2                   On August 8, 2023, the parties in the above-captioned matter filed a joint stipulation to stay the  
3 derivative action.

4                   **PURSUANT TO STIPULATION, IT IS SO ORDERED.**

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6                   DATED: August 15, 2023

7                     
8                   Honorable Araceli Martínez-Olguín  
9                   United States District Judge

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